

Environmental Compliance Competency 4.10

Competency 4.10 Environmental compliance personnel shall demonstrate a working level knowledge of contract management to establish contractor evaluation requirements and assess contractor performance.

1. Supporting Knowledge and Skills

- a. Discuss the “Cost Plus Award Fee” evaluation process, including development of performance criteria, conduct of the evaluation, and documentation and transmittal requirements for performance.
- b. Discuss the typical areas for criteria, performance measures, and means to communicate importance of the area in the contractor evaluation Performance Criteria.
- c. Participate in an actual contractor evaluation performance cycle.

2. Self-Study Activities (Corresponding to the Intent of the Above Competency)

Below are two web sites containing many of the references you may need.

Web Sites		
Organization	Site Location	Notes
Department of Energy	http://wastenot.inel.gov/cted/stdguido.html	DOE Standards, Guides, and Orders
U.S. House of Representatives	http://law.house.gov/cfr.htm	Searchable Code of Federal Regulations

Read DOE N 4220.3, *Award Fee Contracts*.

EXERCISE 4.10-A What is the length of the award-fee evaluation period?

EXERCISE 4.10-B How are performance criteria developed and the performance requirements transmitted to the contractor?

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Read DOE N 4700.5, *Project Control System Guidelines*, Attachment 2.

EXERCISE 4.10-C Discuss typical criteria, the performance measures, and means to communicate the importance of the contractor evaluation criteria.

EXERCISE 4.10-D Participate in an actual contractor evaluation performance cycle.

3. Summary

Performance criteria is established in the Performance Evaluation Plan that is developed between the contractor and DOE and is a part of the contract. The contractor is held to these criteria and is normally evaluated in six-month increments as a part of the award-fee process. The actual evaluation process is site specific and local process and procedures should be consulted.

The project control systems used by contractors in planning and controlling the performance of their work shall meet the Guidelines set forth (in DOE N 4700.5). The Guidelines are divided into three categories: baseline development, project performance, and change management. The Project Control System Guidelines establishes the policy for applying control systems to overall management of projects, including Major Systems Acquisitions (MSAs), Major Projects (MPs), Other Line Item projects, General Plant Projects (GPPs), and operating funded projects and contracts within those projects.

4. Exercise Solutions

EXERCISE 4.10-A What is the length of the award-fee evaluation periods?

ANSWER 4.10-A All Performance Evaluation Plans (PEPs) shall provide for separate evaluation periods of six months in length.

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EXERCISE 4.10-B How are performance criteria developed and the performance requirements transmitted to the contractor?

ANSWER 4.10-B PEPs should clearly delineate and effectively communicate to the contractors milestones and performance objectives for the upcoming rating periods. The award-fee criteria for each contract must reflect the Department's restructured objectives and priorities and focused initiatives. They must be meaningful and challenging objectives, prioritized, and weighted appropriately. In establishing these criteria, goals and objectives included in corrective action plans resulting from Tiger Teams, Technical Safety Appraisals, and other report recommendations should be included.

Agreement on PEP goals and objectives must be reached early-on with all interfacing organizations to achieve clarity of expectations prior to the beginning of the award fee period. This includes agreement between the Field Office, the Contractors, and HQ expectations, priorities, objectives, criteria, performance indicators, and the meaning of successful achievement of the PEP criteria.

EXERCISE 4.10-C Discuss typical criteria, the performance measures, and means to communicate the importance of the contractor evaluation criteria.

ANSWER 4.10-C The project control systems used by contractors in planning and controlling the performance of their work shall meet the Guidelines set forth (in DOE N 4700.5). The Guidelines are divided into three categories: baseline development, project performance, and change management.

Baseline development includes management actions necessary to define project scope and responsibilities, establish baselines, and plan the project.

Project performance includes management actions after work commences that are necessary to monitor project status, report and analyze performance, and manage risk. Assessments, surveillances, etc. are conducted for this purpose.

Change management includes management actions necessary to ensure adequate control of project baselines, including the performance measurement baseline. The results of assessments, surveillances, etc. are implemented as part of change management.

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EXERCISE 4.10-D Participate in an actual contractor evaluation performance cycle.

ANSWER 4.10-D Contact your supervisor for instructions/coordination concerning a contractor performance evaluation.